19 51 **File No.** LGD 1451

D CLASS

Pro. DEPARTMENT

K BRANCH

Subject:— Re Gadag El. supply co

Dispute between El. supply co

& municipality —

15(1)1952

File No. LGD 1451

Std. Sectt. Slip 24-A

20,000—7-50—K2*
No. 2403, dated 22-6-22.]

DOCKET SHEET

Subject:—

File No. LGD 1451

P.W. DEPT.

K BRANCH.

References:—

See previous papers pl. see. etc.

A.O. 2606-36 --

Date.	To whom sent	Notes and instructions
12/7/51		Await (15-9-51)
14/9/51		Await further (14-10-51).
19/11/51	D.S.	Pl. issue A.O. to Sl. Engrs
		await (25-12-51)
26/11		

[92– 1,00,000– 7-50—K2*
G. P. ... No. 2403, dated 22-6-22.]

DOCKET SHEET

Subject :–

File No. LGD 1451

P. W. DEPT.

K BRANCH.

References :—

For parcels babas bl. sec. fr C
No. 2606.

Date.	To whom sent.	Notes and instructions
16/7/57		Await C/S 7-9-57.
14/9/57		Await C/S further (14-10-57)
19/11/57	D.S.	R. issue U.O. to Sl. Engr.
26/11		Await (25-12-57)

~~2605~~ 1 LGD 1451

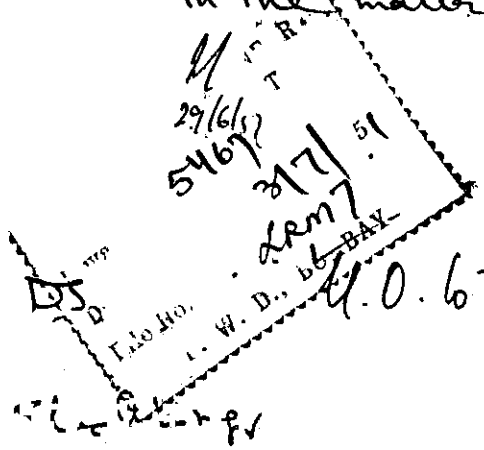
~~2606/36~~

K.Br. P.W.D

Resubmitted with reference to G.R No 247-48

No. 2606/36, dt the 25-1-51.

2/— The Elect. Engr. to Govt. may be requested to state further development made in this matter.



K 30/4/57

U.O. to the El. Engr. to Govt. dtd 29/4/57

GD II

2606/36

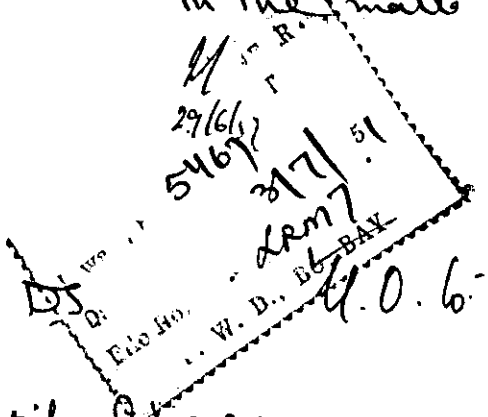
K. Bar.

P.W.D

Resubmitted with reference to G.R. p 21

No. 2606/36, of the 25-1-51.

2/— The Elect. Engr. to Govt. may be requested to state further development in this matter



K 30/6/57

U.O.6. The El. Engr. to Govt. dtd. 2nd July 1951

25-1

Below U.O.R. No.2606/36 dated the 2nd July 1951, from Government in the Public Works Department.

No.LRM.7/ 4321 of 1951

Bombay,1. 9th JULY 1951

Returned with compliments.

2. The meeting for arbitration was originally fixed on the 16th May 1951, but as that date was not considered suitable by the President of the Gadag-Betgeri-Municipal Borough, on account the Municipal election work, the meeting has been postponed to the 25th July 1951. As soon as the arbitration proceedings are over and the award is made, the necessary information will be sent to Government.

Electrical Engineer to

L.M.

Below U.O.R. No.2606/36 dated the 2nd July 1951, from Government in the Public Works Department.

No.LRM.7/ 4321 of 195

Bombay,1. 9th JULY 195

Returned with compliments.

2. The meeting for arbitration was originally fixed on the 16t May 1951, but as that date was not considered suitable by the President of the Gadag-Betgeri-Municipal Borough, on account of the Municipal election work, the meeting has been postponed to the 25th July 1951. As soon as the arbitration proceedings are over and the award is made, the necessary information will be sent to Government.

Electrical Engineer to Gc

L.M.

K 10/7

9/7

P. W. D.

File No. LGD1451

Serial No. 59379

K

9.1 Fl

Flow Fruit

10/7

253

LGD 114
59379
P.W.D

K-Br.

The remarks p251 of the Elect. Engr. are submitted with reference to the O.N. of the p249 29-6-51.

2/- Further development in the matter may be awaited.

11/7/57

13/7/57.

AAS.

253

LGD1451
59379
P.W.D

K-Br.

The remarks p251 of the Elect. Engr. are submitted with reference to the O.N. of p2109 the 29-6-51.

2/- Further development in the matter may be awaited

11/7/51

13/7/51.

AAS

Shri Virendra
8/11/51

b

LGD 1451

59370

K. Bor

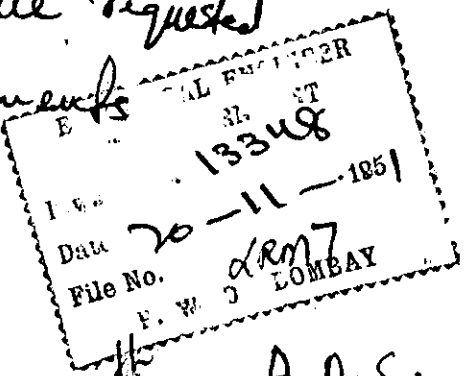
Re- submitted

P.W.D.

2. Ll. Engr. to Govt. may be requested U.O to state further developments in the matter.

GLDL
17/11/51

Sar
17/11/51



A.A.S.

U.O. to the El. Engr. to Govt. dd. 20 Nov. 1951
(with file No. 2606/36).

Below U.O.R.No.LGD.1451/59379 dated the 20th November 1951, from Government in the Public Works Department.

No. URM7/9365 of 1951.

Bombay, 23rd November 1951.

Returned, with compliments.

2. A meeting in connection with the arbitration proceedings was held on the 25th July 1951, when the representatives of the licensee were asked to furnish certain further particulars in regard to the street lighting installation. These particulars have now been received and a further meeting has been fixed for the 6th December, 1951, after which the award will be given and a copy forwarded to Government for information.

Electrical Engineer to Gov

P.

8.

LGD 1451
101586

K. Rpr.

El. Engr is b. Taulé No-LRM 1/9365 P.W.D
dt. the 23-11-1951, is
submitted with ref. to
the 6.N dt. the 17/11/51

L/ Further Communications
from El. Engr. may
be awaited.

28/11/51

26/XII/51

Sho Hamda
25/11

23-11-51
A.A.S.

P. W. D.
File No. LGD 1451
Serial No. 101586

9 LGD 1451/51

P.W.D.

K.B.R.

Pp 1-9 c/s

Submitted for information

+ Slip A
2Ln 26.6/36
Pp 247-248

with refee. to G.R., P.W.D., No. + 2606/36,

d) the 25-1-51.

Record.

23/1/52.

D.S. (S.E.).

Record
25/1/52

193—4,00,000—7-50—K2*
G. R. [illegible] No. 2403, dated 22-6-22.]

DOCKET SHEET

Subject :—

File No. LGD/145

pw. D

C BRAN

References :—

Date.	To whom sent.	Notes and instructions.

ARBITRATION OF DISPUTE
between
The Gadag-Betigeri Municipal Borough
and
Messrs. Manvi Brothers, Licensees for the Gadag-Betigeri Electric License.

1. This arbitration is undertaken in accordance with Gover Resolution, Public Works Department, No.2606/36 dated the 25th Ja 1951.

Dates and times of arbitration.	25-7-1951 ...	3.15 P.M. to 5.15 P.M.
	6-12-1951 ...	3.00 P.M. to 4.15 P.M.

Time taken for drafting the Award ... 2¾ hours.

Persons present at the hearing.

On behalf of the Gadag-Betigeri Municipal Borough	Shri C.F.Angadi, President. Shri B.B.Burji, Chief Officer.
On behalf of Messrs. Manvi Bros., Licensees	Shri S.A.Manvi. Shri V.R.Bulla.

2. Both parties were asked to submit their written statements, which they have done. Shri Angadi, on behalf of the Local Authority desired that the old rates as per the last agreement should be conti nued for the reasons stated in the written statement of the Municipa lity. Shri Manvi, on behalf of the licensees, stated that the rate of 3-1/2 annas per unit, as per the last agreement, was too low in t present circumstances, and that the reasonable rate should under no circumstance fall below 8 annas per unit. The licensee was asked to supply various details which were finally received on the 26th Novem 1951.

The whole matter was discussed at length and it has been agreed b both the parties that the rates should be determined on the following basis:-

(1) A fixed standing charge for every lamp, subject to a minimum charge.

(2) A unit rate of energy consumed, subject to a minimum charge.

(3) A "fuel clause" to cover variations in the price of fuel.

It has further been agreed by both the parties that the rates aq awarded should be made applicable from the date of expiry of the la agreement.

3. I will now pro[illegible] to consider the quest[illegible] eet li[illegible] ing at Gadag-Betigeri[illegible] il:-

(1) STANDING CHAR[illegible] rding to the state[illegible] licensee, the follow[illegible]

curred by him in providing the street lighting installation:-

(1) Copper wire	...	Rs. 17,000-0-0
(2) Galvanised wire	...	Rs. 1,500-0-0
(3) Poles	...	Rs. 21,375-0-0
(4) Street light fittings	...	Rs. 19,000-0-0
(5) Cross arms with clamps and insulators	...	Rs. 2,500-0-0
(6) Earth wire	...	Rs. 500-0-0
		Rs. 61,875-0-0

The licensees has also claimed a sum of Rs.5,240/- as part cost of the poles, etc., used for supporting the street lighting installation." I am not inclined to allow any sum in this respect, in view of the fact that the poles,etc., would have to be there for carrying out the licensee's normal obligations of laying distributing mains as required by the Indian Electricity Act, 1910, and further because the licensee is not required to pay any rent to the local uthority for planting his poles on public roads.

The total cost in respect of street lighting installation may taken as Rs.62,000/-. This cost is very reasonable indeed, considering the fact that the installation extends over about 40 miles,

I have no doubt that, had the Municipality provided its own eet lighting installation, the cost would have been very much her. Allowing 4% depreciation, the annual cost on account of deciation comes to Rs.2,480/-

Both parties agree that the following lamps have been provided n the installation:-

37 lamps	each of 100 Watts @	present cost of	Rs.2/12/-	Rs.101/-
9 "	" 200 Watts	" "	Rs.5/4/-	... Rs. 47/-
4 "	" 60 Watts	"	Rs.2/-	... Rs. 8/-
998 "	" 30 Watts	"	Rs.1/4/-	... Rs.1240/-
Total 1048 lamps,costing at present rates			...	Rs.1,396/-
				Say Rs.1,400/-

The burning hours will be 2,500/2,600 per annum and, if the lamps are of good quality, there should be not more than 3 renewals a ear, and the cost on account of renewals will be Rs.4,200/-. To this, about 10% may be added for storage and handling, and the total chargeable cost on account of lamp renewals may be taken as Rs.4,620/-.

The licensee claims Rs.7,750/- for attendance. Ordinarily, this would not [illegible] bitant amount for maint[illegible]ing a 40 miles long installati[illegible] is observed that t[illegible] s allotted only Rs.4,[illegible] alaries [illegible] n respect of

of distributing lines, and it is observed that a larger portio

the actual cost has been allocated to street lighting. The total on account of salaries, wages, etc., for distributing mains, servi lines and street lights is about Rs.12,340/-. It is observed that total cost on account of distribution and service lines, as shown the Company's last year of account submitted to Government, is Rs.1,93,240/-, of which the cost for street lighting installation h been allocated at Rs.62,000/-. On this basis, the proportionate co for attention to the street lights would come to $\frac{\text{Rs.12,340}}{\text{Rs.1,93,240}}$ x Rs.62,(= say Rs.4,000/-.

The licensee should also get maintenance and repairs charges a 2-1/2% of the total capital cost of Rs.62,000/-, and this amount wo come to Rs.1,550/-.

The licensee is entitled to 5% reasonable return free of incom tax, which may be taken at annas 6 in a rupee, and the gross profit which the licensee should get on account of street lighting install tion comes to Rs. $\frac{5}{100}$ x 62,000 x $\frac{16}{10}$ = Say Rs.5,000/-.

The total amount which the licensee should obtain as standing charges works out as follows:-

(i)	Depreciation ...	Rs.2,480-0-0
(ii)	Lamp renewals ...	Rs.4,620-0-0
(iii)	Attendance ...	Rs.4,000-0-0
(iv)	Maintenance & Repairs	Rs.1,550-0-0
(v)	Reasonable return ...	Rs.5,000-0-0
		Rs.17,650-0-0

This amount should be in respect of 1,048 street lamps. Therefore, the charge per month per lamp would be $\frac{17,650}{1048}$ x $\frac{16}{12}$ = 22.4 annas, say 22 annas, i.e. Rs.1-6-0.

In case the lamps are supplied by the Municipality, the standi charge per month per lamp would be Rs.17,650 - Rs.4,620 = Rs.13,030 $\frac{13,030}{1,048}$ x $\frac{16}{12}$ = 16.6 annas, say 17 annas

(2) ENERGY CHARGE: The a

not be a burden on the co

all the legitimate charge

energy for public lamps

though in the statement

following items into account:-

(1) Fuel;
(2) Oil, waste, etc.;
(3) Wages and salaries;
(4) Repairs and maintenance;
(5) Rent, Rates and Taxes;
(6) Management;
(7) Incidental and Overhead charges;

items (1) to (4) only are affected on account of supply of energy for public lamps, while the remaining items would be unaffected even if the supply for street lighting is not given.

Referring to the licensee's statement of accounts for the year ending 31st March 1950, the following information is obtained:-

Fuel	Rs.30,389-0-0
Oil, waste, etc. ...	Rs. 5,448-0-0
Proportionate salary & wages	Rs. 9,711-0-0
Repairs and maintenance	Rs. 5,973-0-0
	Rs.51,521-0-0.

Total units generated 323,080

Therefore, the cost of the above items per unit = $\frac{51,521 \times 16}{323,080}$ = 2.6 annas.

In working out the above charge of 2.6 annas per unit, no account has been taken of the actual cost incurred by the undertaking in respect of (1) Management; (2) Rent, Rates and Taxes; (3) Incidental charges; and (4) Reasonable return which the undertaking is entitled to in respect of its generating plant, etc. These items are really unaffected by the supply or electricity for public lighting and will be there to the same extent regardless of whether the local authority takes the supply for public lighting or not. If the local authority does not bear any burden in respect of these items, the entire burden will fall on the consumers, which, to my mind, does not appear quite fair. By referring to the licensee's last statement of accounts for the year ending 31st March 1950, it is observed that the following charges were incurred by the undertaking:-

5

principle in the present case, I would allow $\frac{2.6 \times 15}{100}$ = 0.39 anna per unit as supervision and general handling charges.

As regards other charges, I consider that the local authority should bear at least one third of these charges, so that the other consumers in the area of supply could be relieved to that extent at least. For these charges, therefore, 0.25 anna per unit may be allowed.

The total charges per unit would, therefore, work out as under:-

(1) Actual cost	...	2.60	annas per unit.
(2) Management	...	0.39	" " "
(3) Incidental charges	...	0.25	" " "
Total	...	3.24	annas per unit

Say ... 3-1/4 annas per unit.

4. It must be remembered that the rates worked out above are on the basis of actual cost incurred by the undertaking in the past and, if the undertaking, is required to carry out any new works by laying additional lines or providing additional fittings, the actual extra cost incurred by the licensee will have to be taken into account and the standing charge for the new lights will have to be determined separately.

5. Similarly, the unit charge is based on the prices of fuel and oil existing in the past, and this will have to be adjusted in case of variations in the prices of these items.

oooOooo

A W A R D.

In the matter of the Indian Arbitration Act X of 1940, and an arbitration between the Gadag Betigeri Municipal Borough and Messrs. Manvi Brothers, the licensees for the Gadag-Betigeri Electric License, 1936:

WHEREAS the Gadag-Betigeri Municipal Borough, a body constituted under the Bombay District Municipal Act III of 1901, has applied to Government under the provisions of section 52 of the Indian Electricity Act, 1910, for nomination of a person to determine the dispute between the said Municipal Borough and Messrs. Manvi Brothers, the licensees for the Gadag-Betigeri Electric

Lic

License, 1936, concerning the rates to be charged for the supply of energy for the lighting of Municipal streets;

AND WHEREAS the Government of Bombay by its Resolution No. 2606/36 dated the 25th January 1951, has nominated me, SURENDRA GANPATRAO NADKARNI, Electrical Engineer to Government, P.W.D., Bombay, to act as an arbitrator to determine the aforesaid dispute;

NOW, I, the said SURENDRA GANPATRAO NADKARNI, having duly considered the evidence led before me by the representatives of the Gadag-Betigeri Municipal Borough and the representatives of Messrs. Manvi Brothers, do hereby make my award as follows:-

I award -

(1) That Messrs. Manvi Brothers, the licensees for the Gadag-Betigeri Electric License, 1936, shall charge and the Gadag-Betigeri Municipal Borough shall pay the following charges for the supply of electricity for public lighting:-

(a) A standing charge of Rs.1-1-0 (Rupee one and anna one) per month per every street lamp, regardless of whether it burns or not, subject to a minimum charge of Rs.1,100-0-0 (Rupees one thousand and one hundred) per month;

(b) Energy charge of Rs.0-3-3 (annas three and pies three) per unit for all electrical energy supplied for public lamps, subject to a minimum charge of Rs.1,200/- (Rupees one thousand and two hundred) per month, regardless of whether energy to that extent is consumed or not, and subject further to the Fuel Clause stated hereafter;

(c) Meter charges for every meter supplied by the licensee as sanctioned by Government from time to time.

(2) The licensee shall maintain and repair the street lighting installation at his own cost and keep it in working order at all times, provided that, when a lamp is fused or stolen, the Gadag-Betigeri Municipal Borough shall supply the new lamp for replacement at its own cost, unless the Municipal Borough proves that the lamp was damaged through the negligence of the licensee or any member of his staff, in which case the licensee shall replace the damaged lamp by a new one of equal quality at his own cost.

(3) The licensee may, if so desired by the Municipal Borough, undertake to replace broken, fused or stolen lamps at his own cost, in which case he shall be entitled to increase his standing charge from Rs.1-1-0 to Rs.1-6-0 (Rupee one and annas six only) per month

7

for every street lamp, regardless of whether it burns or not, subject to a minimum charge of Rs.1,100/- (Rupees one thousand and one hundred) per month

(4) FUEL CLAUSE: The energy charge mentioned in item (1)(b) above shall be applicable only when the cost of fuel at site is Rs.210-0-0 (Rupees two hundred and ten) per ton delivered at the licensee's generating station at Gadag, and should this cost vary the energy charge shall be adjusted at the rate of 0.01 anna plus or minus for every rupee rise or fall in the cost of fuel over Rs.210/- per ton delivered at the licensee's generating station at Gadag.

(5) That the fees of the Arbitrator amounting to Rs.540/- shall be borne by the Gadag-Betigeri Municipal Borough and Messrs.Manvi Brothers in equal proportion.

17 | 1 | 52.

ARBITRATOR.

Dated at Bombay,
This 17th day of January 1952.

No. [illegible]/11748 of 1951-52.
P.W.D.Offices, Churchgate Stree
Fort, Bombay(1) 17thJanuary 195

From:

The Electrical Engineer to Government,
Public Works Department, Bombay.

To

(1) The President,
Gadag-Betigeri Municipal Borough, Gadag.

(2) Messrs.Manvi Brothers,
Licensees, The Gadag-Betigeri Electric License,
Gadag.

Subject:- Dispute regarding the rates to be charg
for the supply of electricity to street
lights at Gadag-Betigeri.

Dear Sirs,

I have to inform you that I have this day, the 17th January 1952, signed the Award in the above dispute referred to me for arbitration vide Government Resolution (X) Public Wo Department, No.2606/36 dated the 25th January 1951. A copy the Award is enclosed herewith for your information and nece sary action.

(X) Slip A
Ref 2606/36
pp 247-248

Yours faithfully,

P.

Electrical Engineer to Govt.

11750

Copy, together with a copy of the Award, forwarded, wi compliments, to the Secretary to Government, Public Works De partment. Bombay. for information.

9

No. URM7/11748 of 1951-52.
P.W.D.Offices, Churchgate Street,
Fort, Bombay(1) 17thJanuary 1952.

From:

The Electrical Engineer to Government,
Public Works Department, Bombay.

To

(1) The President,
Gadag-Betigeri Municipal Borough, Gadag.

(2) Messrs.Manvi Brothers,
Licensees, The Gadag-Betigeri Electric License,1936
Gadag.

Subject:- Dispute regarding the rates to be charged for the supply of electricity to street lights at Gadag-Betigeri.

Dear Sirs,

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(X) Slip A
file 26.06/36
pp 47-48

Yours faithfully,

Electrical Engineer to Govt.

P.

11750

Copy, together with a copy of the Award, forwarded, with compliments, to the Secretary to Government, Public Works Department, Bombay, for information.

Pl see notes

W. D.
LQD1451

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